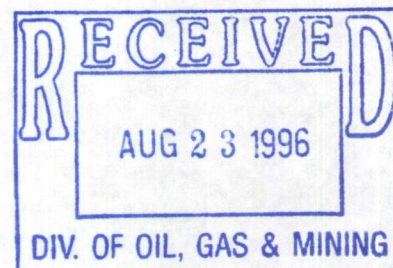


August 21, 1996



CERTIFIED RETURN RECEIPT

E. B. King, President
Jumbo Mining Company
6305 Fern Spring Cove
Austin, TX 78730

Re: Drum Mine, Millard County, Utah

Dear Mr. King:

As you know, the Utah Division of Oil, Gas and Mining (DOGM) has issued an order to Western States Minerals Corporation directing that reclamation begin immediately on those portions of the Drum Mine site that have not yet been transferred formally to Jumbo and ASOMA. Though DOGM's order shows that you were mailed a copy, I enclose another copy for your records.

The Colorado litigation between Western and your companies resulted in clear judicial findings that Jumbo and ASOMA are responsible for all reclamation at the Drum Mine as specified in the reclamation plan incorporated into Mining Permit No. M/027/007. The Court's judgment, which has been registered with the Utah courts, has directed you and your companies forthwith to assume those reclamation responsibilities for the 41+ acres of the Drum Mine site referenced in DOGM's order, consistent with Utah law and the directives of the Utah Division of Oil, Gas and Mining.

You have repeatedly advised the Colorado court of your intention to comply with the judgment of specific performance as to reclamation; this judgment has never been stayed and is in full effect. Western States has now been threatened with an enforcement action unless the reclamation for which you and your companies have legal responsibility is acknowledged and immediately commenced.

E. B. King, President
Jumbo Mining Company
August 21, 1996
Page 2

Western demands, therefore, that you immediately notify DOGM that you and your companies, not Western, are legally responsible for reclamation of those portions of the Drum Mine site referenced in the enclosed directive, as to which the formal transfer to Jumbo and ASOMA is as yet incomplete. Western further demands that you and your companies immediately commence the reclamation described in the enclosed order, as directed by DOGM.

Thank you very much for your attention to these matters. Any response should be directed to our attorneys, Lee D. Foreman, Haddon, Morgan & Foreman, P.C., 150 E. Tenth Avenue, Denver, CO 80202.

Sincerely,




ALLAN R. CERNY
Secretary
Western States Minerals Corporation

Enc: DOGM Directive dated August 9, 1996
cc: Lowell P. Braxton

Page 2
August 9, 1996
M/027/007

Should WSMC choose to appeal this decision, you may file a formal petition before the Board of Oil, Gas and Mining as provided for under the Administrative Procedures R647-5 et seq.

Sincerely,


Lowell P. Braxton
Deputy Director

jb
cc: Don Ostler, DWQ
Rex Rowley, BLM
Terry McParland, BLM
Ed King, JMC
Tom Mitchell, Esq. - AAG
J. Carter
M. Wright
M027007.rec